

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY01 Adjusted Base	FY02 Recommended	% Change Over FY01	FY03 Recommended	% Change Over FY02
PR-F	97,300	162,400	66.9	162,400	0.0
PR-O	15,634,000	15,432,900	-1.3	15,424,700	-0.1
SEG-O	6,900,000	6,900,000	0.0	6,900,000	0.0
TOTAL	22,631,300	22,495,300	-0.6	22,487,100	0.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY01 Adjusted Base	FY02 Recommended	FTE Change From FY01	FY03 Recommended	FTE Change From FY02
PR-F	1.00	1.00	0.00	1.00	0.00
PR-O	191.50	189.50	-2.00	189.50	0.00
TOTAL	192.50	190.50	-2.00	190.50	0.00

AGENCY DESCRIPTION

The commission is an independent utility regulatory agency dedicated to serving the public interest. The commission, which receives its authority and responsibilities from the Wisconsin Legislature, enjoys a national reputation for its innovative and forward-looking approach to utility regulation. The commission regulates electric, natural gas, telephone, water, and combined water and sewer utilities. More than 1,200 utilities are under the agency's jurisdiction. Most of these must obtain commission approval before instituting new rates, issuing stocks or bonds, or undertaking major construction projects such as power plants, water wells and transmission lines. In keeping with its commitment to quality management principles, the commission operates under a streamlined management structure and is organized along industry and administrative lines into five operating divisions.

The commission provides administrative support for the Office of the Commissioner of Railroads. The office is an independent railroad regulatory agency dedicated to promoting the public interest, in a variety of matters involving railroads. The office also regulates the service and economic activity of intrastate water carriers.

Before a highway authority can construct a new highway/rail crossing or substantially alter or close an existing highway/rail crossing, the office must issue an order approving the action after a review to ensure the action serves the public safety and convenience. The office also reviews the adequacy of protection of the public at highway/rail crossings and issues orders setting forth the needed protection. The office also regulates railroads to ensure compliance with other statutory duties, such as crossing maintenance, right-of-way fencing and proper drainage.

MISSION

The mission of the commission is to oversee, facilitate and foster the efficient and fair provision of quality utility services by meeting consumers' changing needs in Wisconsin's dynamic and competitive utility industry environment.

The primary mission of the Office of the Commissioner of Railroads is to promote public safety and convenience in matters involving railroads, especially at highway/rail crossings. To fulfill its mission, the office investigates petitions, conducts hearings and issues orders regarding some 5,400 highway/rail crossings located throughout the state. The office also oversees a signal maintenance program which funds 50 percent of the cost of maintaining signal equipment at about 2,500 highway/rail crossings.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Regulation of Public Utilities

Goal: Assist disabled customers in obtaining affordable access to a basic set of essential telecommunications services.

Objective/Activity: Increase participation in the Telecommunications Equipment Purchase Program (TEPP) by 15 to 25 percent over the previous biennium; increase the expenditures for TEPP to levels that more closely approximate an annual budget of \$1.55 million; and determine if expenditures for TEPP outreach efforts provided in the form of grant(s) to organizations in FY01, were cost-effective and contributed to increased program use.

Goal: Ensure that the Medical Telecommunications Equipment Program (MTEP) provides medical clinics and health agencies with the funding to provide the medically enhanced services as passed by the Legislature in 1999 Wisconsin Act 9.

Objective/Activity: Ensure MTEP has sufficient applicants and that grants are awarded on a competitive basis; and ensure the annual budget is expended to meet the stated goals of MTEP and continuing education is provided to potential future grant applicants.

Goal: Provide utility consumers with assistance to resolve complaints.

Objective/Activity: Provide utility consumers with a process for mediating disputes regarding utility service.

Goal: Ensure the provision of safe gas pipeline services.

Objective/Activity: Reduce the risk of loss of life or property due to pipeline operator error or negligence and maintain compliance with state and federal rules and laws associated with pipeline safety.

PERFORMANCE MEASURES

Prog No.	Performance Measure	Actual 2000	Goal 2001	Goal 2002	Goal 2003
1.	Increase participation in TEPP.	1,538	25% over actual	20% over actual	20% over actual
1.	Increase TEPP expenditures to \$1.5 million.	\$580,000	\$1.2 million	\$1.5 million	\$1.5 million
1.	Assess the cost-effectiveness of TEPP by looking at vouchers issued against vouchers not used within 90 days.	Vouchers issued 1,538 Vouchers not used 319	N/A	N/A	N/A
1.	Survey to determine social service agencies program knowledge of TEPP.				Determine survey results
1.	Market the telemedicine program to encourage participation.	No program	20 entities	25 entities	25 entities
1.	Maximize number of MTEP applications that lead to grants.	No grants	6 apps 5 grants	10 apps 8 grants	10 apps 8 grants
1.	Meet MTEP expenditure goals of \$500,000.	No program	\$400,000	\$500,000	\$500,000
1.	Increase the number of complaints resolved to customers' satisfaction.	77%	75%	80%	80%
1.	Increase the amount of money recovered for customers.	\$409,000	\$400,000	\$600,000	\$600,000
1.	Number of incidents resulting in loss of life or property.	1*	0*	0*	0*
1.	Number of miles of substandard piping replaced or rehabilitated each year.	50*	50*	50*	50*
1.	Percent of pipeline safety units in compliance within 45 days.	75%*	80%*	80%*	80%*
1.	Number of violations found per year.	139*	104*	104*	87*

* Calendar year 2000 estimates and calendar year goals.

PUBLIC SERVICE COMMISSION

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Electronic Filing of PSC Documents
2. Mobile Home Park Position
3. Stray Voltage Research Program
4. Stray Voltage and Electrical Wiring Assistance to Farmers
5. Assessments for Wholesale Merchant Plants
6. Energy Assessments of State Agency Rule Proposals
7. Regulatory Authority over Telecommunications Companies
8. Increase Federal Funding for Gas Pipeline Safety
9. Increase Federal Indirect Costs for Gas Pipeline Safety
10. Office of the Commissioner of Railroads: Operations
11. Standard Budget Adjustments

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY00	ADJUSTED BASE FY01	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY02	FY03	FY02	FY03
FEDERAL REVENUE (1)	\$170.5	\$97.3	\$162.4	\$162.4	\$162.4	\$162.4
State Operations	170.5	97.3	162.4	162.4	162.4	162.4
PROGRAM REVENUE (2)	13,861.7	15,634.0	15,403.1	15,404.4	15,432.9	15,424.7
State Operations	13,861.7	15,634.0	15,403.1	15,404.4	15,432.9	15,424.7
SEGREGATED REVENUE (3)	2,791.8	6,900.0	6,900.0	6,900.0	6,900.0	6,900.0
Aids to Ind. & Org.	2,791.8	6,900.0	6,900.0	6,900.0	6,900.0	6,900.0
TOTALS-ANNUAL	16,824.0	22,631.3	22,465.5	22,466.8	22,495.3	22,487.1
State Operations	14,032.2	15,731.3	15,565.5	15,566.8	15,595.3	15,587.1
Aids to Ind. & Org.	2,791.8	6,900.0	6,900.0	6,900.0	6,900.0	6,900.0

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 2
Department Position Summary by Funding Source (in FTE positions) (4)

	ADJUSTED BASE FY01	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY02	FY03	FY02	FY03
FEDERAL REVENUE (1)	1.00	1.00	1.00	1.00	1.00
PROGRAM REVENUE (2)	191.50	191.50	191.50	189.50	189.50
TOTALS-ANNUAL	192.50	192.50	192.50	190.50	190.50

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(4) All positions are State Operations unless otherwise specified

Table 3
Department Budget Summary by Program (in thousands of dollars)

	ACTUAL FY00	ADJUSTED BASE FY01	AGENCY REQUEST FY02 FY03		GOVERNOR'S RECOMMENDATION FY02 FY03	
1. Regulation of public utilities	\$16,372.7	\$22,126.4	\$21,880.3	\$21,881.6	\$21,822.6	\$21,823.9
2. Office of the commissioner of railroads	451.3	504.9	585.2	585.2	672.7	663.2
TOTALS	16,824.0	22,631.3	22,465.5	22,466.8	22,495.3	22,487.1

Table 4
Department Position Summary by Program (in FTE positions) (4)

	ADJUSTED BASE FY01	AGENCY REQUEST FY02 FY03		GOVERNOR'S RECOMMENDATION FY02 FY03	
1. Regulation of public utilities	185.50	185.50	185.50	184.50	184.50
2. Office of the commissioner of railroads	7.00	7.00	7.00	6.00	6.00
TOTALS	192.50	192.50	192.50	190.50	190.50

(4) All positions are State Operations unless otherwise specified

1. Electronic Filing of PSC Documents

Source of Funds	Agency Request				Governor's Recommendation			
	FY02		FY03		FY02		FY03	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	125,000	0.00	125,000	0.00	125,000	0.00	125,000	0.00
TOTAL	125,000	0.00	125,000	0.00	125,000	0.00	125,000	0.00

The Governor recommends providing funding for an electronic document management and workflow system, which will allow for electronic publication of documents received, circulated, processed and published at the commission.

2. Mobile Home Park Position

Source of Funds	Agency Request				Governor's Recommendation			
	FY02		FY03		FY02		FY03	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	57,700	1.00	57,700	1.00	0	0.00	0	0.00
TOTAL	57,700	1.00	57,700	1.00	0	0.00	0	0.00

The Governor recommends making permanent the mobile home park project position created under 1997 Wisconsin Act 229. The Governor also recommends the position and program authority be transferred to the Department of Commerce.

3. Stray Voltage Research Program

Source of Funds	Agency Request				Governor's Recommendation			
	FY02		FY03		FY02		FY03	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	-175,000	0.00	-175,000	0.00	-175,000	0.00	-175,000	0.00
TOTAL	-175,000	0.00	-175,000	0.00	-175,000	0.00	-175,000	0.00

The Governor recommends eliminating funding for the University of Wisconsin System stray voltage research project for FY02 and FY03.

4. Stray Voltage and Electrical Wiring Assistance to Farmers

The Governor recommends creating a farm rewiring fund offering \$1.5 million in FY02 and \$2.5 million in FY03 from the utility public benefits fund to award grants to operators of dairy, beef or swine farms for eliminating stray voltage concerns and sources or replacing electrical wiring.

5. Assessments for Wholesale Merchant Plants

The Governor recommends permitting the commission to assess public utilities for the expenses incurred in taking regulatory action regarding approving construction of wholesale merchant plants.

6. Energy Assessments of State Agency Rule Proposals

The Governor recommends giving the commission authority to conduct an energy assessment of any proposed state agency rule that may potentially impact state energy policies. The Governor further recommends that the state agency proposing the rule include the energy impact statement when the agency submits its proposed rule in final form to the Legislature.

7. Regulatory Authority over Telecommunications Companies

The Governor recommends expanding the commission’s authority over telecommunications companies to include work on behalf of consumers in taking administrative action and directly imposing forfeitures.

8. Increase Federal Funding for Gas Pipeline Safety

Source of Funds	Agency Request				Governor's Recommendation			
	FY02		FY03		FY02		FY03	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	60,000	0.00	60,000	0.00	60,000	0.00	60,000	0.00
TOTAL	60,000	0.00	60,000	0.00	60,000	0.00	60,000	0.00

The Governor recommends increasing spending authority to reflect the federal government's share of costs for operation of the Gas Pipeline Safety program.

9. Increase Federal Indirect Costs for Gas Pipeline Safety

Source of Funds	Agency Request				Governor's Recommendation			
	FY02		FY03		FY02		FY03	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	6,000	0.00	6,000	0.00	6,000	0.00	6,000	0.00
TOTAL	6,000	0.00	6,000	0.00	6,000	0.00	6,000	0.00

The Governor recommends increasing spending authority to reflect the federal government's share of indirect costs for operation of the Gas Pipeline Safety program.

10. Office of the Commissioner of Railroads: Operations

Source of Funds	Agency Request				Governor's Recommendation			
	FY02		FY03		FY02		FY03	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	90,800	0.00	90,800	0.00	182,200	-1.00	172,700	-1.00
TOTAL	90,800	0.00	90,800	0.00	182,200	-1.00	172,700	-1.00

The Governor recommends the following to provide operational support to the Office of the Commissioner of Railroads: (a) provide \$8,300 PR-O in each year for additional clerical support; (b) allocate \$22,500 PR-O annually to enhance recruitment efforts for railroad safety analysts through competitive salaries; (c) provide \$151,400 PR-O in FY02 and \$141,900 PR-O FY03 and transfer 1.0 FTE PR-O position in each year from the office to the Department of Administration, Division of Hearings and Appeals to increase the number of railroad crossing cases that may be reviewed. These initiatives are critical to maintaining the commissioner's ability to effectively review and assess requests for railroad crossing modifications and closures.

11. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY02		FY03		FY02		FY03	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-F	-900	0.00	-900	0.00	-900	0.00	-900	0.00
PR-O	-329,400	-1.00	-328,100	-1.00	-333,300	-1.00	-332,000	-1.00
TOTAL	-330,300	-1.00	-329,000	-1.00	-334,200	-1.00	-332,900	-1.00

The Governor recommends adjustments to the agency's base budget for: (a) turnover reduction (-259,700 in each year); (b) removal of noncontinuing elements from the base (-\$67,700 in each year); (c) full funding of continuing position salaries and fringe benefits (-\$77,900 in each year); (d) reclassifications (\$800 in each year); (e) BadgerNet increases (\$5,900 in FY02 and \$7,200 in FY03); (f) fifth week of vacation as cash (\$48,500 in each year); and (g) full funding of lease and directed moves costs (\$15,900 in each year).